

We Claim:

1. A computer implemented method of determining the tax consequences of an investment transaction, the method comprising:

storing for a user a tax profile containing tax return data for at least one tax year of the user;

accessing the tax profile of the user to obtain tax return information relevant to determining the user's total tax liability in a current tax year;

providing the user with a potential total future tax liability of the user based on a proposed brokerage transaction and the tax return information from the tax profile.

2. The method of claim 1, further comprising:

storing a brokerage account of the user in which the proposed brokerage transaction is to be entered; and

linking the brokerage account of the user to the tax profile of the user for obtaining the tax return information to determine the potential total future tax liability.

3. The method of claim 2, wherein the brokerage account is stored in a brokerage account database, and the tax profile is stored in a tax profile database that is physically separate from the brokerage account database.

4. The method of claim 1, further comprising:

determining a potential total future tax liability of the user in the absence of the proposed transaction;

providing the user the potential total future tax liability from the proposed transaction in comparison with the potential total future tax liability in the absence of the proposed transaction.

5. The method of claim 1, wherein providing the user with a potential total future tax liability of the user based on the proposed transaction and the tax return information from the tax profile, further comprises:

accessing prior completed transactions of the user relevant to the current tax return of the user; and
determining the potential total future tax liability from the prior completed transactions, the tax return information, and the proposed transaction.

6. The method of claim 1, wherein the stored tax profile comprises user's tax filing status, and income information, deduction information.

7. The method of claim 1, wherein the stored tax profile comprises user's marital status, home ownership status, and dependent information.

8. The method of claim 1, wherein items of tax return information in the user's tax profile are mapped to fields on computer representations of tax forms use to compute tax liability.

9. The method of claim 1, wherein the tax profile stores tax return information for a plurality of prior tax years.

10. The method of claim 1, wherein the tax profile stores tax return information for alternative scenarios of the current tax year.

11. The method of claim 1, wherein the tax profile stores tax return information at a plurality of levels of granularity to allow for adaptation of tax data from external data sources.

12. The method of claim 1, wherein the tax profile stores for each investment, information from which an acquisition price, an acquisition date, a sale price, a sale date, a holding period, and a gain or loss can be computed.

13. The method of claim 1, further comprising:

receiving the user's tax profile from a direct manual input by the user.

14. The method of claim 1, further comprising:

importing data for the user's tax profile from file generated by a tax preparation software application.

15. The method of claim 1, further comprising:

responsive to the user executing the proposed transaction, updating the tax profile to reflect the proposed transaction.

16. The method of claim 1, wherein providing future tax liability data to the user further comprises:

providing an amount of the total future tax liability to the user.

17. The method of claim 1, wherein providing future tax liability data to the user further comprises:

providing an amount of the marginal tax owed or saved from the proposed transaction.

18. The method of claim 1, determining a potential total future tax liability of the user based on the proposed transaction and the tax return information from the tax profile further comprises:

determining the potential total future tax liability based on the proposed transaction, the tax return information from the user's tax profile, and previously executed transactions effecting tax liability in the current tax year.

19. A computer implemented method of determining the tax consequences of a plurality of investment transactions, the method comprising:

storing for a user a tax profile containing tax return data for at least one tax return of the user;

receiving a plurality of proposed investment transactions from the user to be executed in a group;
accessing the tax profile of the user to obtain tax return information relevant to determining the user's total tax liability in a current tax year;
determining a potential total future tax liability of the user based on all of the proposed transactions and the tax return information from the tax profile; and
providing the potential total future tax liability to the user.

20. A computer implemented method of determining the tax consequences of a plurality of investment transactions, the method comprising:

storing for a user a tax profile containing tax return data for at least one tax return of the user;
receiving a plurality of separate proposed investment transactions from the user, each investment transaction to be executed independently;
accessing the tax profile of the user to obtain tax return information relevant to determining the user's total tax liability in a current tax year;
for each proposed investment transaction, determining a potential total future tax liability of the user based on the proposed transaction and the tax return information from the tax profile; and
providing the potential total future tax liability for each proposed investment transaction to the user.

21. The method of claim 20, further comprising:

determining the proposed investment transaction that has the best overall tax consequences for the user.

22. A system for determining the tax liability of a proposed investment transaction, comprising:

a tax profile database that stores for tax profiles for users, each tax profile including tax return information for a user;
a brokerage interface that receives from a user a proposed transaction; and

a tax engine that receives the proposed transaction and coupled to obtain the tax return information from the tax database, calculates the potential future tax liability of the user based on the proposed transaction and tax return information.

23. The system of claim 22, further comprising:

an account database for storing user's brokerage accounts, each user brokerage account linked to the user's tax profile in the tax profile database.

24. A user interface for a computer system that determines the tax consequences of investment transactions, user interface being provided by a computer program encoded on a computer media usable by the computer system, the user interface comprising:

a first window for receiving at least one proposed investment transaction entered by a user;

a control for executing, in response to selection by the user, a determination of the potential future tax liability of the user from the proposed transaction using tax return information of the user stored in a tax profile; and

a second window for displaying the potential future tax liability of the user, as a consequence of the proposed transaction.

25. The user interface of claim 24, wherein the second window further displays:

a total income to the user after the proposed transaction;

any capital gains or losses from the proposed transaction;

any short term gains or losses from the proposed transaction;

a tax rate applicable to the user as a consequence of the proposed transaction;
and

the potential future tax liability of the user as a consequence of the proposed transaction.

26. The user interface of claim 25, wherein the second window further displays:

- a total income to the user before the proposed transaction;
- any capital gains or losses before the proposed transaction;
- any short term gains or losses before the proposed transaction;
- a tax rate applicable to the user prior to the proposed transaction; and
- a total tax owed by the user prior to the proposed transaction.

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